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TAB B

LIAISON WITH CONGRESSIONAL COMMITTEES.

This liaison includes assisting in arranging for the presentation of testimony by appropriate officials of the Agency, the furnishing of information to Congressional committees in accordance with their requests, and in general maintaining these relationships in accordance with the "Assumptions" set forth in paragraph 2 of this report.

A more detailed account of relations with those committees with which CIA maintains continuing liaison follows:

1. APPROPRIATIONS COMMITTEES.

Liaison with the House and Senate Appropriations Committees is maintained largely in connection with the presentation of CIA appropriations requests, but other matters not connected directly with the budget arise from time to time. The Comptroller works very closely with Legislative Counsel on this liaison, and, with respect to budget liaison with the Senate Committee, the Comptroller carries the major share of the burden.

As a first step in this liaison each year, we inform the appropriate staff members of the Appropriations Committees of the location of the CIA budget in the over-all budget of the United States and the amount of funds in each place. For purposes of security, we have continued to place the CIA budget in various governmental appropriations.

When the special CIA Subcommittee reported out the CIA budget for F/Y 1954, they made a cut of approximately 20% in our budget request and no cut in the reserve.

Subsequently, the Director and the Comptroller appeared before a special group of members of the Senate Appropriations Subcommittee. No changes in the budget as approved by the House were made.

On 24 March 1954, the CIA budget presentation for F/Y 1955 was heard, and the Committee allowed the full sum of the CIA budget request, including the reserve. However, as a bookkeeping measure, they made a major reduction in the request for new monies, allowing almost 50%

of the budget (including the reserve) to be taken out of F/Y 1953 and 1954 unobligated balances of funds which had been previously appropriated for CIA. These unobligated balances were from an appropriation which had a proviso that the funds were available until expended. Subsequently, the Senate Appropriations Committee approved the identical allocation of funds as had the House.

CIA during the 83rd Congress, continued to handle the mechanics of the budget for the National Security Council, and the technical liaison with the Appropriations Committees on this item was handled by the Comptroller.

From time to time, we have invited Chairman Taber, or any other member of the Appropriations Subcommittee, to visit CIA, and spend as much time as they desired going over the Agency.

Finally, certain Government-wide general questions were received from the Appropriations Committees, requesting information on expenditures for such items as communications, warehouse and office space, numbers of automobiles, electrical machines and IBM equipment. Wherever possible we have replied fully to these requests, and where security questions arose, such as in the field of communications, we have been able to handle the matter by direct liaison, and the security problem has been understood.

Z. ARMED SERVICES COMMITTEES.

The Armed Services Committees of the Congress handle CIA substantive legislation and Agency nominations which require Congressional confirmation. Mr. Dulles' nomination as Director of Central Intelligence was considered by the Senate Armed Services Committee on 19 February 1953 and his confirmation was unanimously recommended by the Committee. The Senate unanimously confirmed his nomination by voice vote on 23 February 1953.

On 25 February 1953 legislation was forwarded to the Congress to establish the position of Deputy Director and to authorize the position to be occupied by a military officer in the same manner as the position

of Director could be occupied by a commissioned officer of the armed services. Two major amendments were included by the Armed Services Committees: one required that the Deputy Director be subject to Senatorial confirmation; and, the second, provided that either the Director or Deputy Director must be a civilian. The bill was passed by both houses without opposition and became law on 4 April 1953 (P. L. 15, 83rd Congress). General Cabell's nomination as the Deputy Director of Central Intelligence was then approved by the Senate Armed Services Committee on 16 April, and the nomination was confirmed by the Senate on 20 April.

On 10 February 1953, the DCI discussed with Chairman Saltonstall the possibility of setting up a special subcommittee of the Senate Armed Services Committee, which could be briefed on CIA and be cognizant of its affairs. This question was again discussed with the Chairman in January 1954, this time against the background of proposals to establish a Joint Congressional Committee on Central Intelligence. Chairman Saltonstall appointed a special subcommittee consisting of himself and Senators Bridges, Flanders, Russell and Byrd. This subcommittee met on 22 March (Sen. Bridges being absent) and sought and received the views of the Director on the subject of a Joint Committee and CIA's relations with the Congress. In addition, it received a general briefing from the Director on CIA and its operations.

During the 83rd Congress, the Senate Armed Services Committee was deeply concerned with the problems of continental defense and hired a special consultant, Mr. Robert Sprague, of North Adams, Mass., to study this problem. Special arrangements were made with the Executive Branch, through the National Security Council, to give Mr. Sprague highly classified information on this problem. As a result, Mr. Sprague was briefed by CIA on the Soviet potential for attack against the United States. His oral briefing of a special Senate Armed Services Committee Subcommittee, therefore, included data which he had obtained at CIA.

Routine liaison with members of the staffs of the two Committees continued through the session.

3. GOVERNMENT OPERATIONS COMMITTEES.

Contact with the Senate and House Committees on Government Operations was negligible during the 83rd Congress. However, considerable contact was had with the Permanent Investigations Subcommittee of the Senate Committee on Government Operations which is chaired by Senator Joseph R. McCarthy.

Major areas of contact with the Senate Permanent Subcommittee on Investigations included:

a. The Director's appearance before the Subcommittee in connection with possible CIA subsidies of the

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b. The Subcommittee's request for information regarding expenditures of funds for publications;

c. The Subcommittee's investigation of East-West trade;

d. [redacted]

e. [redacted]

f. The Government Printing Office hearings; and

g. The threat of investigation and the Army-McCarthy hearings.

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c. During both sessions of the 83rd Congress the Subcommittee held hearings or sought information in connection with the subject of East-West trade and allied matters.

In February 1953, the Subcommittee requested information from CIA in connection with their investigation of foreign trade, with emphasis on trade with China and the Greek shipping cartel. The Subcommittee had approached MSA (FOA) on these questions, seeking information through the Economic Defense Assistance Committee (EDAC). The Subcommittee desired all information regarding all vessels which touched at the Communist Chinese and North Korean ports during 1951 and 1952, together with dates, ports of entry, cargo ownership, flag, and any photographs available.

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In July 1953, Senator McCarthy demanded of FOA all intelligence reports regarding trade in certain commodities in connection with his East-West trade investigation. Many of these reports would have come from CIA sources, and FOA did not comply with this request. Renewed requests to FOA Director Stassen in April 1954 for trade information were also not answered. The difficulties in responding to the Subcommittee's request for classified intelligence information were apparent throughout. For EDAC or FOA to have complied with these requests

would have meant the transmittal to the Subcommittee of intelligence reports from extremely sensitive sources. Had these sources been aware that the information was being passed on a confidential basis to the Committee, many of them would have dried up, to the detriment of the intelligence effort. Had there been any publicity concerning these reports or had the reports themselves been made public, the remaining sources would in all probability also have dried up. It should be noted that some of these reports came from Allied sources and therefore could not be made available in raw form. The studies and estimates which CIA has made in this field were in support of EDAC or NSC decisions, and they also could not be made available. Insofar as general trade information available to the Government was concerned, it was for EDAC and FCA to determine the desirability of releasing the information to the Subcommittee.

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member and was handling secret material of the military, the Atomic Energy Commission and the CIA. Subcommittee Counsel Cohn advised that the employee worked at the main plant of the Government Printing Office, where he had access to CIA material which was sent there for reproduction. Subsequently, Deputy Public Printer Cole testified that as a general rule CIA did its own printing or utilized the special GPO security plant (in South Building), but he could not be certain whether any classified CIA work had been done at the main plant. CIA initiated a careful check into this matter and found that no classified CIA material is printed in the main GPO plant, and on 12 August CIA so informed the Subcommittee. Subsequently, the DCI wrote a letter to Chairman McCarthy, calling his attention to these facts, indicating that the initial press reports of these hearings had received wide circulation, both in the United States and abroad; and that these reports had raised questions regarding CIA security. The Director asked that his letter be incorporated in the printed hearings so that the facts in the case could be made a matter of record. In Senator McCarthy's absence, the Director's letter was acknowledged by Mr. Carr, who stated that the information was deeply appreciated and would receive appropriate attention. The letter was never included in the printed record.

In the same letter of 22 October 1953, the Director noted that in the course of the Subcommittee investigations, the Chairman might possibly run across information concerning CIA or its personnel. He stated that he would appreciate having such information made available to him so that we might take a thorough look at such matters. Senator McCarthy has never responded to this request.

g. On 2 April 1953, Mr. Roy Cohn called to state that he and Mr. Schine were leaving for Europe the next day and would like to talk to some CIA people abroad regarding information services. Mr. Cohn was informed that, in view of the shortness of time, there was nothing CIA could do for him in this country, but that if there were anything the Agency thought they should have abroad, they would be contacted overseas. No contact was made with them overseas, and they did not seek out any CIA personnel. However, they did visit [redacted] both being witting of CIA interest therein. They discussed certain psychological warfare problems during their visit and Schine commented that he thought the [redacted] people knew how to go about things and what they were

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trying to accomplish. Mr. Schine subsequently informed Legislative Counsel, however, that there were some disturbingly left-wing persons in [redacted] who should be given scrutiny. In the course of this trip abroad, Cohn and Schine were also quoted as referring to CIA as an Iron Curtain they were going to crack.

Commencing in the Spring of 1953, reports became current that the Subcommittee planned an investigation of CIA. These reports continued, and were highlighted by the statements of Chairman McCarthy and Subcommittee Counsel Cohn during the Army-McCarthy hearings. At that time, Mr. Cohn informed Legislative Counsel that CIA was a "juicy target" for investigation and Senator McCarthy charged that the Agency had been penetrated by Communists.

4. SENATE JUDICIARY COMMITTEE.

Contact with the Senate Judiciary Committee as a whole, as distinct from its permanent subcommittees, was confined to the appearance of the General Counsel and Legislative Counsel before the Committee during its consideration of S. 2308, a bill to authorize and direct the investigation by the Attorney General of certain offenses. The measure was drafted in such a way as to authorize the Department of Justice to investigate any violation of the criminal code involving Government officers and employees. The bill further required that any information or complaint received in any Government department or agency shall be expeditiously reported to the Attorney General. The Judiciary Committee invited CIA to be present at the hearings with other departments. The threat of this legislation to CIA security and its covert operations was immediately recognized. However, as the bill contained a safeguard which would allow the Attorney General to make exceptions, CIA General Counsel is seeking an agreement with the Department of Justice which would safeguard CIA security.

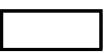
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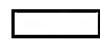
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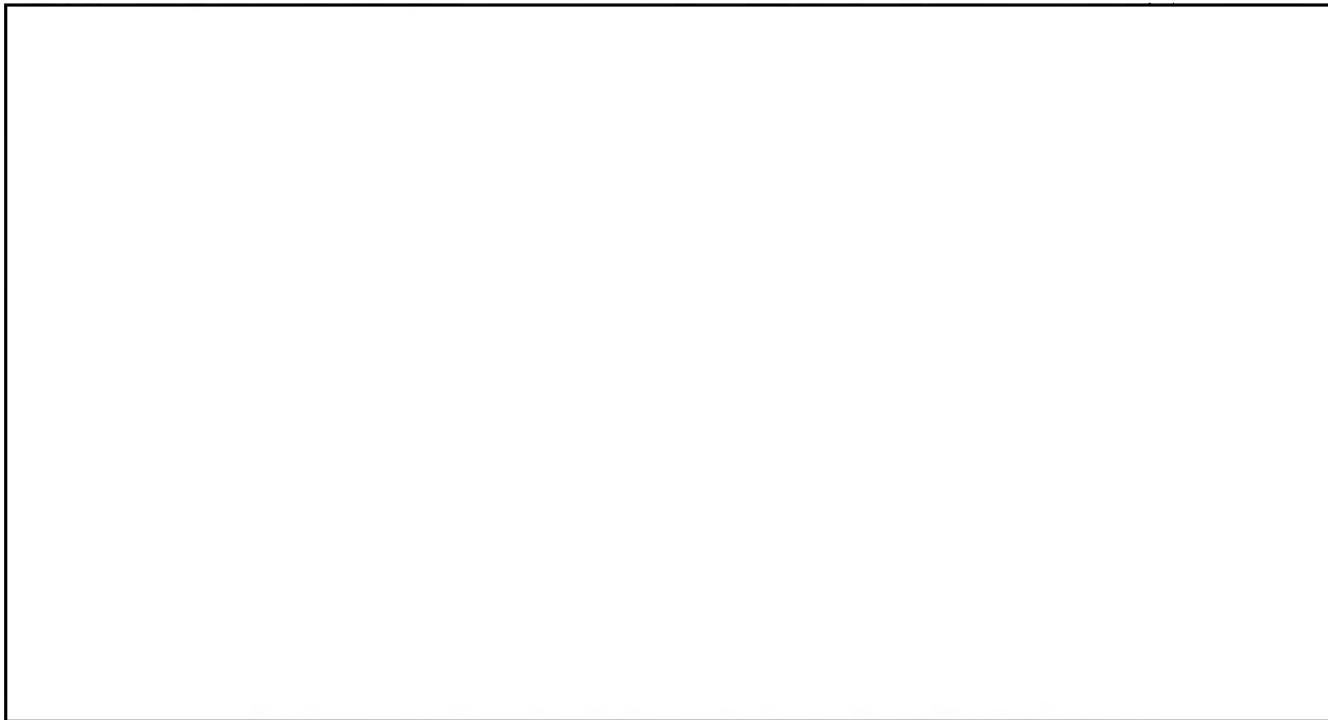
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titled to relief. The case was ruled on adversely by the Bureau of Employees' Compensation in the Department of Labor and an appeal is pending before the Bureau's Board on Appeals. If a favorable decision is not reached by the Bureau, it will doubtless arise again as a legislative matter.

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In February 1954, Chairman Jenner of the Senate Internal Security Subcommittee talked with the Director on the subject of CIA cooperation with his subcommittee, and on the possibility that CIA might make certain knowledgeable, high level defectors available to

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view of his knowledge of the case of Noel and Hermann Field who had disappeared behind the Iron Curtain. This proposal was made to the Counsel for the Jenner Committee in the absence of the Senator, and several steps were taken to prepare the case for hearing. However, after several sessions, the staff determined that Swiatlo would make a weak witness for their purposes, and therefore they did not desire him for testimony.

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5. COMMITTEES ON POST OFFICE AND CIVIL SERVICE.

Liaison with these committees during the 83rd Congress has been largely restricted to requesting action on securing two amendments to the "fringe benefits" law, as noted in Tab A. The first of these amendments repealed Section 9 of the CIA Act of 1949; and the second exempted CIA from the provisions of the Performance Rating Act of 1950.

6. JOINT COMMITTEE ON PRINTING.

The liaison with this Committee is maintained by the Deputy Director/Administration, with the technical assistance of the Logistics Office. The DD/A keeps the Legislative Counsel advised on these continuing relationships.

7. JOINT COMMITTEE ON ATOMIC ENERGY.

In each of the sessions of the 83rd Congress, and in accordance with the Joint Committee's statutory authority, the Director has briefed the full Committee on foreign atomic energy developments, with particular emphasis on the Soviet Union. In addition, General Cabell and Mr. Miller briefed a group of consultants (including Generals Wederneyer, Quesada, and Lindbergh, and former AEC Chairman Dean) to the Joint Committee, which is studying the problem of defense from atomic attack.

The close relationships maintained with the Joint Committee were exemplified in connection with the Soviet development of the hydrogen bomb. On 12 August 1953, Chairman Cole was advised at home that vital information had been received. Mr. Cole chose to come to Washington and was informed of the Soviet explosion of a thermonuclear weapon. Upon his arrival in Washington a few days later, the Chairman requested that CIA brief Senator Hickenlooper, Vice Chairman of the Joint Committee, on the Soviet developments. On 21 August, General Cabell and Mr. Miller briefed the Joint Committee on these recent developments. The Committee was kept abreast of subsequent Soviet developments.

A new departure in CIA Congressional relations was established in connection with the trip of the Hickenlooper Subcommittee of the Joint Committee on Atomic Energy (which included Chairman Cole), which they made in the Summer of 1953 to Western Europe, the Middle East and Africa. The Chairman and Senator Hickenlooper requested that CIA send an intelligence expert with them who could brief the Committee on a continuing basis on the general background of the countries through which they traveled. [redacted] of ONE was designated to make the trip with the Subcommittee. For the purposes

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During the second session of the Congress, the Joint Committee undertook a complete revision of the Atomic Energy Act of 1946. Lengthy discussions were held between CIA and the AEC to reach agreement on language which would give CIA greater latitude in the development and exchange of intelligence in the field of foreign atomic energy. The agreed on language was redrafted by the staff of the Joint Committee, and is included as Section 142(e) of the new Act. As noted in Tab A, discussions were also held on the subject of the Atomic Weapons Awards Act of 1954.

8. HOUSE SELECT COMMITTEE TO INVESTIGATE INCORPORATION OF LITHUANIA, LATVIA AND ESTONIA INTO THE U.S.S.R. (COMMITTEE ON COMMUNIST AGGRESSION).

CIA gave continuous intelligence support to the work of this Committee under Chairman Kersten through both sessions of the Congress. This support included suggesting knowledgeable persons, both in the United States and abroad, and arranging for Committee liaison with the National Committee for Free Europe and its subordinate Radio Free Europe. The Agency also rendered support to a subcommittee of the Kersten Committee investigating Communist aggression in Latin America. CIA assistance was given to Congressman Hillings, Chairman of the subcommittee, during his visit to Guatemala and other countries in the Western Hemisphere.